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HOUSE OF REPRESENTATIVES
COMMITTEE ON ARMED SERVICES
SUITE 313, HOUSE OFFICE BUILDING
WASHINGTON 25, D. C.

July 13, 1959

A. FERNOS-IBERN, PUERTO RICO
JOHN A. BURNS, HAWAII

ROBERT W. SMART, CHIEF COUNSEL

Honorable Steven V. Carter
House of Representatives
Washington 25, D. C.

Dear Mr. Carter:

On July 8, following our conversation, you forwarded a number of documents and letters relating to the award of a negotiated contract by the Air Force to Air America, Inc.

Your interest in this matter is in behalf of Arctic-Pacific, Inc., which Company was unsuccessful in the contract negotiations. You obviously feel that Arctic-Pacific, Inc. was not fairly treated in this matter and request my review of the situation.

I note from the file that due to your protest the award of the contract to Air America, Inc. was delayed pending consideration of your protest. I further note that the matter has since been reviewed by the Air Force which has affirmed the selection of Air America, Inc. In addition, the matter has been reviewed by the Hollifield Subcommittee of the House Committee on Government Operations as well as the Comptroller General of the United States. In both instances the action of the Air Force has been affirmed. Upon a review of the file, I find no basis upon which to question the legality of awarding the subject contract to Air America, Inc.

This leaves the sole question of whether or not there could have been asserted any improper influence in the award of this contract, as a result of the President of Air America, Inc. being a retired Naval officer. In view of the fact that Air American, Inc. has successfully rendered all the required services pursuant to contract, for a period of approximately nine years, it does not appear that

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the selection of a retired Admiral as President of this Company has had any influence on the awarding of the contract. However, I do not wish to prejudge this matter. As you know, you submitted this question to the Hebert Subcommittee on June 16, 1959, in connection with its current activities on the subject of conflict of interest. That Subcommittee will give this facet of the case such consideration as it may determine to be warranted by the facts adduced.

Sincerely yours,

Carl Vinson
Chairman

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Info. copy for
Mr. John Warner